

People for A Living Moorabool



PALM
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9th May 2023

2023 Water Price Review
Essential Services Commission
Level 8, 570 Bourke Street
Melbourne VIC 3000

Re: Barwon Water draft decision 2023 Water Price Review 30 March 2023

To whom it may concern,

People for A living Moorabool is a grass roots community group which has been advocating for improved flows for Victoria's most flow stressed the Moorabool for well over a decade. We wish to raise several concerns and observations about the Draft Decision of the ESC on Barwon Water's Price Submission.

Environmental Levy

PALM notes the decreasing Environmental Contribution Levy detailed in Table 4.3 on page 20.

Environmental contribution for the next 5 years in millions of dollars.

2023-24	9.32
2024-25	9.05
2025-26	8.78
2026-27	8.53
2027-28	8.28

"The Environmental Contribution is one of the most important funding tools assisting Victorians to manage water sustainably, and a means of accounting for the environmental

costs associated with the provision of water-based services.”
<https://www.water.vic.gov.au/planning/environmental-contributions>

Using the 2023-24 year as a baseline, this represents a 2.64 million dollar reduction in environmental contributions. We ask what kind of impact to managing “water sustainability” does this represent, especially if this contribution reduction is reflected across the other water utilities? We also note that the licence fees payable to the Essential Services Commission, nor the EPA, do not show a similar decline over the period, but rather are maintained.

Relegation of the environment

PALM is concerned that the document’s layout presents a subtle but noticeable relegation of the prominence of the environment in general, and environmental sustainability in particular.

As an example, *Table 1.1 Matters businesses and the commission must have regard to* contains a heading titled “Health, safety and social obligations”. It excludes the word “environment” even though the listed legislation presents it on the same footing as the others.

Section 4C (c), of the Water Industry Act quite clearly states one the objectives of the Essential Services Commission is:

*“to ensure that regulatory decision making has regard to the health, safety, **environmental sustainability (including water conservation)** and social obligations of regulated entities “*

PALM asks that the heading reflect the due ‘regard’ for environmental sustainability demonstrated in the Act.

It is also noted that the chapters flagged by the ESC as enabling “Barwon Water to deliver the outcomes valued by customers, and on its health, safety, environmental sustainability and social obligations” actually detail a reduction in funds allocated to a number of environmental initiatives by Barwon Water.

Funding to investigate future augmentations

A huge issue for the stressed waterways of the region is the unsustainable take of surface water for urban water supplies. Any proper assessment of the plight of these systems must recognise the vital importance of measures to return water to our overallocated waterways.

The only viable pathway for this to occur is through the adoption of climate independent sources of water, likely manufactured, either through potable reuse of recycled water, storm water, or through expansion of desalination facilities into the region. Given the increases in population projected for our catchments this is already a pressing matter.

Therefore, it has been extremely concerning to see that the ESC proposed a net 1 million dollar reduction, or halving, of Barwon Water's budgeted cost of investigating augmentation options for the region's future water supply.

- removal of \$1.9 million to contribute to readiness investigations for future major water supply
- addition of \$0.85 million for an additional resource to perform initial future major water supply investigations

It is vitally important for the sake of our waterways that the organisation is permitted adequate resources to assess how, when and in what form this transition to manufactured water sources will occur. PALM deems it quite understandable, in the face of a degree of obfuscation by the state government on the issue of potable reuse of recycled water and planning for a future desalination plant for the region, that Barwon Water faces some difficulty in precisely detailing its investment in this important work.

PALM is encouraged that in the recent public forum the ESC indicated it has left the door open to Barwon Water solidify its funding rationale on this item. We would ask that accommodation be given to water utilities in this regard as they appear to be without supported of clear policy from government.

Environmental flows for the Moorabool River

PALM admits to being a little unclear of the relationship and the impact of *B1.1 – More expensive water sources turned on – Melbourne to Geelong Pipeline and C1 – Updated External Water Bulk Charges (Melbourne Water)* set out in Table 4.4, however it does seem to indicate a reduction in overall funds to this project. We wish to stress the importance of these works in providing future environmental flow allocations to the Moorabool River as actioned within the Central and Gippsland Region Sustainable Water Strategy. We ask that the ECS review their decision on this matter and ensure there is no risk or impediment to the timely provision of the environmental benefits of this project.

PALM would like to thank the Essential Services Commission for considering both our original submission to this process and the concerns raised in this one.

It is hoped that the Commission continues to be open to considering and embracing a widespread desire within the community to see flows returned to our highly stressed rivers and creeks, and most importantly that they be allowed sustainable futures.

Kind regards,

Cameron Steele
Co-ordinator
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